

9904

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

FINANCIAL REPORT

As of December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/21/10

Thibodeaux & Company

A Limited Liability Company

Post Office Box 34

Rayne, Louisiana 70578

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Assets	5
Statement of Activities	6
FUND FINANCIAL STATEMENTS	
Governmental Funds:	
Balance Sheet	8
Reconciliation of the Governmental Funds Balance Sheet to the Financial Statement of Net Assets	9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 18

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

C O N T E N T S (C O N T D.)

	<u>Page</u>
REQUIRED SUPPLEMENTAL INFORMATION	
BUDGET COMPARISON SCHEDULE	20
COMPLIANCE, INTERNAL CONTROL, & OTHER INFORMATION:	
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22 - 23
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	24
SCHEDULE OF FINDINGS & CORRECTIVE ACTION PLAN	25

Thibodeaux & Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITOR'S REPORT

Fire Protection District No. 9 of
the Parish of Acadia, State of Louisiana
Rayne, Louisiana

We have audited the accompanying basic financial statements of the Fire Protection District No. 9 of the Parish of Acadia, Rayne, Louisiana as of and for the year ended December 31, 2009. These basic financial statements are the responsibility of the Fire Protection District No. 9's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The financial statements of the Fire Protection District No. 9 of the Parish of Acadia as of December 31, 2008 were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated June 29, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Fire Protection District No. 9 of the Parish of Acadia as of December 31, 2009, and the respective changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2010, on our consideration of the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Fire Protection District No 9 has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Fire Protection District No. 9
of the Parish of Acadia
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fire District's basic financial statements. The accompanying information listed as required supplementary information on page 20 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Thibodeaux & Company

Thibodeaux & Company
A Limited Liability Company

Rayne, Louisiana
June 17, 2010

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**STATEMENT OF NET ASSETS
December 31, 2009**

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash and cash equivalents	\$ 108,724	\$ 13,687
Taxes receivable, net	372,567	324,855
Prepaid expenses	28,056	27,871
Total current assets	<u>\$ 509,347</u>	<u>\$ 366,413</u>
Noncurrent Assets:		
Restricted assets	\$ 238,804	\$ 195,810
Capital assets (net)	676,461	738,210
Total noncurrent assets	<u>\$ 915,265</u>	<u>\$ 934,020</u>
Total Assets	<u><u>\$ 1,424,612</u></u>	<u><u>\$ 1,300,433</u></u>
 <u>LIABILITIES & FUND BALANCES</u>		
Current Liabilities:		
Accounts and other payables	\$ 12,603	\$ 10,918
Bonds payable	98,000	90,000
Lease payable	33,016	31,992
Total current assets	<u>\$ 143,619</u>	<u>\$ 132,910</u>
Long-Term Liabilities:		
Bonds payable	\$ -	\$ 98,000
Lease payable	34,620	68,645
Total long-term liabilities	<u>\$ 34,620</u>	<u>\$ 166,645</u>
Total Liabilities	<u><u>\$ 178,239</u></u>	<u><u>\$ 299,555</u></u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	\$ 510,825	\$ 449,573
Restricted for debt service	238,804	195,810
Unrestricted	496,744	355,495
Total Net Assets	<u><u>\$ 1,246,373</u></u>	<u><u>\$ 1,000,878</u></u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009**

<u>REVENUES</u>	<u>2009</u>	<u>2008</u>
Ad valorem taxes	\$ 393,434	\$ 324,855
Intergovernmental revenue - fire insurance rebate	43,585	42,615
Interest income	5,498	5,111
Other income	19,443	300
Total Revenues	<u>\$ 461,960</u>	<u>\$ 372,881</u>
 <u>EXPENDITURES</u>		
General Government:		
Finance and administration	\$ 121,912	\$ 146,731
Interest on long-term debt	8,304	14,373
Loss on disposal of assets	2,000	-
Depreciation	84,249	82,026
Total Expenditures	<u>\$ 216,465</u>	<u>\$ 243,130</u>
 Change in Net Assets	 \$ 245,495	 \$ 129,751
Net Assets, Beginning of Year	<u>1,000,878</u>	<u>871,127</u>
Net Assets, End of Year	<u>\$ 1,246,373</u>	<u>\$ 1,000,878</u>

The Accompanying Notes Are An Integral Part Of
These Financial Statements

FUND FINANCIAL STATEMENTS (FSS)

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2009**

	General	Other	Total (Memorandum Only)	
<u>ASSETS</u>	Fund	Governmental Fund	2009	2008
Current Assets:				
Cash and cash equivalents	\$ 102,686	\$ 6,038	\$ 108,724	\$ 13,687
Restricted assets	238,804	-	238,804	195,810
Taxes receivable, net	372,567	-	372,567	324,855
Grant receivable	-	-	-	-
Prepaid expenses	28,056	-	28,056	27,871
Total Assets	<u>\$ 742,113</u>	<u>\$ 6,038</u>	<u>\$ 748,151</u>	<u>\$ 562,223</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts and other payables	\$ 12,603	\$ -	\$ 12,603	\$ 10,918
Fund Balances:				
Restricted for debt service	\$ 238,804	\$ 6,038	\$ 244,842	\$ 201,848
Unrestricted	490,706	-	490,706	349,457
Total Fund Balances	<u>\$ 729,510</u>	<u>\$ 6,038</u>	<u>\$ 735,548</u>	<u>\$ 551,305</u>
Total Liabilities and Fund Balances	<u>\$ 742,113</u>	<u>\$ 6,038</u>	<u>\$ 748,151</u>	<u>\$ 562,223</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
December 31, 2009**

	<u>2009</u>
Total fund balance for governmental funds	\$ 735,548
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Land	5,000
Buildings and improvements, net of \$49,237 accumulated depreciation	189,366
Equipment, net of \$501,840 accumulated depreciation	482,095
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds, notes payable, and capital leases	<u>(165,636)</u>
Total net assets of governmental activities	<u><u>\$ 1,246,373</u></u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended December 31, 2009**

	General Fund	Other Governmental Funds	Total (Memorandum Only)	
			2009	2008
<u>REVENUES</u>				
Ad valorem taxes	\$ 393,434	\$ -	\$ 393,434	\$ 324,855
Intergovernmental revenues - fire insurance rebate	43,585	-	43,585	42,615
Interest income	5,498	-	5,498	5,111
Other income	19,443	-	19,443	300
Total Revenues	<u>\$ 461,960</u>	<u>\$ -</u>	<u>\$ 461,960</u>	<u>\$ 372,881</u>
<u>EXPENDITURES</u>				
General Government:				
Finance and administration	\$ 121,912	\$ -	\$ 121,912	\$ 146,732
Capital outlay	24,500	-	24,500	30,966
Debt Service:				
Principle retirement	-	121,488	121,488	117,030
Interest and fiscal changes	-	9,817	9,817	14,373
Total Expenditures	<u>\$ 146,412</u>	<u>\$ 131,305</u>	<u>\$ 277,717</u>	<u>\$ 309,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 315,548</u>	<u>\$ (131,305)</u>	<u>\$ 184,243</u>	<u>\$ 63,780</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	\$ -	\$ 131,305	\$ 131,305	\$ 136,300
Transfers out	(131,305)	-	(131,305)	(136,300)
Total other financing sources and uses	<u>\$ (131,305)</u>	<u>\$ 131,305</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ 184,243	\$ -	\$ 184,243	\$ 63,780
Fund Balance, Beginning of Year	545,267	6,038	551,305	487,525
Fund Balance, End of Year	<u>\$ 729,510</u>	<u>\$ 6,038</u>	<u>\$ 735,548</u>	<u>\$ 551,305</u>

The Accompanying Notes Are An Integral Part Of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
December 31, 2009**

	<u>2009</u>
Net changes in fund balance - governmental fund	\$ 184,243
Amounts reported for governmental activity in the statement of activity is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	24,500
Depreciation expense for the year then ended	(84,249)
Loss on disposal of assets	(2,000)
Governmental funds report bonded debt as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets.	
Bond principle payments	121,488
Accrued interest calculation difference	<u>1,513</u>
Change in net assets per statement of activities	<u>\$ 245,495</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

(A) Financial Reporting Entity

The Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana was created as a fire protection district by resolution of the Police Jury of the Parish of Acadia, State of Louisiana on January 11, 2000 to provide fire protection services for the City of Rayne and certain rural communities. The district shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary or proper for effective fire prevention and control.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Acadia Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Acadia Parish Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Acadia Parish Government.
2. Organizations for which the Acadia Parish Government does not appoint a voting majority but are fiscally dependant on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The district was determined to be a component unit of the Acadia Parish Police Jury financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Acadia Parish Police Jury maintains fiscal and budgetary control over the District and must approve any holding of an election or incurring of debt or levy of any taxes or parcel fees by the board.

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

(B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Fire Protection District No. 9 of the Parish of Acadia (hereafter referred to as the District).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include taxes, interest, and other items that are restricted to meeting the operational or capital requirements of a particular function or segment.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending is controlled.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursements of specific or legally restrictive monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

- a. General Fund - the general operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.
- b. Debt Service Fund - the debt service of the District accounts for the matured portion of and the payment of principal and interest of liabilities of the General Long-term Debt Account Group.

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

(C) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the account and reported in the financial statements. The accounting policies of the District conform to generally accepted accounting principles as applied to governmental units. The District's policy is to prepare its financial statements using the modified accrual method of accounting. The revenues are recognized when they become measurable and available and expenses are recognized when the related liability is incurred.

(D) Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable government-wide financial statements, capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years

(E) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

(F) Budgets

The District prepares a budget for the General Fund and uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the December meeting.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted by vote at a meeting.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the board at the object level of expenditure. All changes in the budget must be approved by the board.
5. All budget amendments require approval of the board. Those amendments are reflected in the budgetary comparisons included in the accompanying financial statements.

(G) Encumbrances

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures of liabilities. There were no encumbrances outstanding at December 31, 2009 as the District does not utilize this method.

Note 2. Cash and Investments

Cash consists of amounts in demand deposit, cash on hand, passbook savings accounts, and interest bearing demand deposit accounts with federally insured financial institutions. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2009, the carrying amount of the District's deposits were \$347,528 and the bank balance was \$348,007. The deposits were covered by federal depository insurance and pledged securities.

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Capital assets and depreciation activities as of and for the year ended December 31, 2009 are as follows:

	<u>2009</u>			
	<u>Balance</u> <u>12/31/2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2009</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital assets being depreciated				
Buildings	\$ 214,102	\$ 24,500	\$ -	\$ 238,602
Equipment	998,936	-	15,000	983,936
Total capital assets being depreciated	<u>\$ 1,213,038</u>	<u>\$ 24,500</u>	<u>\$ 15,000</u>	<u>\$ 1,222,538</u>
Less accumulated depreciation for:				
Buildings	\$ 41,022	\$ 8,215	\$ -	\$ 49,237
Equipment	438,806	76,034	13,000	501,840
Total accumulated depreciation	<u>\$ 479,828</u>	<u>\$ 84,249</u>	<u>\$ 13,000</u>	<u>\$ 551,077</u>
Total capital assets	<u>\$ 738,210</u>	<u>\$ (59,749)</u>	<u>\$ 2,000</u>	<u>\$ 676,461</u>

Total depreciation expense for the year ended December 31, 2009 was \$84,249.

Note 4. Levied Taxes

A 10 year 10 mill property tax was passed by the voters of the District in July 2000 for the funding of fire protection. The millage was for the purpose of acquiring, constructing, improving, maintaining and/or operating fire protection facilities and equipment in the district, including fire trucks, and paying the cost of obtaining fire protection facilities and equipment in the district, and paying the cost of obtaining water for protection services. For the year 2009, the levied taxes totaled \$372,567.

Note 5. Bonds

On September 11, 2000, a resolution authorizing the incurring of debt and issuance of Seven Hundred Sixty-Five Thousand Dollars (\$765,000) of Certificates of Indebtedness, Series 2000, by the Fire Protection District No. 9 of the Parish of Acadia, State of Louisiana was passed. The Certificates dated November 1, 2000 have an interest rate of 5.48% payable semiannually on March 1 and September 1 of each year commencing on March 1, 2001.

The District adopted a resolution on August 1, 2005 which authorized the incurring of debt and issuance of \$443,000 of Refunding Bonds, Series 2005. These bonds are being issued for the purpose of paying the cost of effecting a current refunding of the outstanding certificates of Indebtedness, Series 2000 dated November 1, 2000. The refunding and refinancing of these certificates is financially advantageous to the issuer and resulted in a lower effective interest rate of 3.50% and debt service savings to the issuer of \$14,933.

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

Note 5. Bonds (Continued)

The annual requirements to amortize the outstanding debt as of December 31, 2009 including interest payments are as follows:

<u>Year (March 1)</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Amount</u>
2010	\$ 98,000	\$ 1,715	\$ 99,715
	<u>\$ 98,000</u>	<u>\$ 1,715</u>	<u>\$ 99,715</u>

The Certificates mature serially on March 1, of each year through 2010 and are secured by and payable from an irrevocable pledge and dedication of the funds derived from the levy and collection of the 10 mill property tax.

Note 6. Changes in General Long-Term Debt

	<u>Balance January 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2008</u>
Certificates of Indebtedness, Series 2005	\$ 188,000	\$ -	\$ 90,000	\$ 98,000
Capital Lease	100,638	-	33,002	67,636
	<u>\$ 288,638</u>	<u>\$ -</u>	<u>\$ 123,002</u>	<u>\$ 165,636</u>

The capital lease is for the lease with option to purchase agreement for one new central states pumper on a Kenworth chassis and one new central states rescue truck. The lessor is Kansas State Bank and the annual requirements are as follows:

<u>Year (August 10)</u>	<u>Principle Amount</u>	<u>Interest Amount</u>	<u>Total Rental Payment</u>
2010	\$ 33,016	\$ 3,284	\$ 36,300
2011	34,620	1,680	36,300
	<u>\$ 67,636</u>	<u>\$ 4,964</u>	<u>\$ 72,600</u>

FIRE PROTECTION DISTRICT NO. 9 OF THE PARISH OF ACADIA

NOTES TO FINANCIAL STATEMENTS

Note 7. Prepaid Items

Prepaid items at December 31, 2009 consist of prepaid insurance and federal tax withheld from investments.

Note 8. Compensated Absences

The District does not have any paid employees; therefore, it does not have a formal leave policy.

Note 9. Litigation

As of December 31, 2009, there was no litigation or claims against the District.

Note 10. Related Party Transactions

There were no related party transactions during the period ended December 31, 2009.

REQUIRED SUPPLEMENTAL INFORMATION

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
For the Year Ended December 31, 2009**

	2009			
	Budget		Variance	2008
	Original	Final	Favorable (Unfavorable)	Actual
Revenues:				
Income - taxes	\$ 250,000	\$ 250,000	\$ 393,434	\$ 143,434
Insurance rebate	25,000	25,000	43,585	18,585
Rental income	500	500	978	478
Miscellaneous income	-	-	18,465	18,465
Interest	3,000	3,000	5,498	2,498
Total Revenues	<u>\$ 278,500</u>	<u>\$ 278,500</u>	<u>\$ 461,960</u>	<u>\$ 183,460</u>
				<u>\$ 372,881</u>
Expenditures:				
Current				
General government	\$ 118,150	\$ 118,150	\$ 121,912	\$ (3,762)
Capital outlay	30,000	30,000	24,500	5,500
Total Expenditures	<u>\$ 148,150</u>	<u>\$ 148,150</u>	<u>\$ 146,412</u>	<u>\$ 1,738</u>
				<u>\$ 177,698</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 130,350</u>	<u>\$ 130,350</u>	<u>\$ 315,548</u>	<u>\$ 181,722</u>
				<u>\$ 195,183</u>
Other sources (uses)				
Operating transfers out	<u>\$ (127,000)</u>	<u>\$ (127,000)</u>	<u>\$ (131,305)</u>	<u>\$ (4,305)</u>
				<u>\$ (136,300)</u>
Total other sources (uses)	<u>\$ (127,000)</u>	<u>\$ (127,000)</u>	<u>\$ (131,305)</u>	<u>\$ (4,305)</u>
				<u>\$ (136,300)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 3,350</u>	<u>\$ 3,350</u>	<u>\$ 184,243</u>	<u>\$ 177,417</u>
				<u>\$ 58,883</u>
Fund Balances - January 1, 2009	<u>545,268</u>	<u>545,268</u>	<u>545,267</u>	<u>-</u>
				<u>486,384</u>
Fund Balances - December 31, 2009	<u>\$ 548,618</u>	<u>\$ 548,618</u>	<u>\$ 729,510</u>	<u>\$ 180,892</u>
				<u>\$ 545,267</u>

The Accompanying Notes Are An Integral Part of
These Financial Statements

**COMPLIANCE, INTERNAL CONTROL,
& OTHER INFORMATION**

Thibodeaux & Company

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 34 • 801 The Boulevard Suite B • Rayne, Louisiana 70578 • (337) 334-7251 FAX (337) 334-7002

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Fire Protection District No. 9 of
the Parish of Acadia, State of Louisiana
Rayne, Louisiana

We have audited the basic financial statements of the Fire Protection District No. 9 of the Parish of Acadia, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 17, 2010. We have conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire Protection District No. 9 of the Parish of Acadia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of audit findings and corrective action plan as item 2009-1 and 2009-2 to be significant deficiencies in internal control over financial reporting.

**Fire Protection District No. 9 of
the Parish of Acadia**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 9 of the Parish of Acadia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Fire Protection District No. 9 of the Parish of Acadia's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not audit the Fire Protection District No. 9 of the Parish of Acadia's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board and management of the Fire Protection District No. 9 of the Parish of Acadia, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Thibodeaux & Company
A Limited Liability Company

Rayne, Louisiana
June 17, 2010

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

**Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2009**

2008-1 The Fire District did not properly amend their budget, and expenditures exceeded budgeted amounts by more than 5%.

Recommendation: The Fire District should comply with Louisiana Revised Statute 39:1309 and amend its budget upon change in operations.

Status: Resolved.

The Accompanying Notes Are An Integral Part Of
These Financial Statements

**FIRE PROTECTION DISTRICT NO. 9
OF THE PARISH OF ACADIA
RAYNE, LOUISIANA**

Schedule of Findings & Corrective Action Plan
For the Year Ended December 31, 2009

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the basic financial statements of the Fire Protection District No. 9 as of and for the year ended December 31, 2009

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed during the audit of the financial statements for the period ended December 31, 2009 and are identified as 2009-1 and 2009-2.

Material Noncompliance – Financial Reporting

There were no instances of noncompliance that were disclosed during the audit of the financial statements for the period ended December 31, 2009.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

2009-1 Finding: Unqualified Staff to Apply GAAP

The Fire District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements including the related notes.

Corrective Action Plan:

The Fire District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

2009-2 Finding: Segregation of Duties

Due to the small number of staff, the Fire District did not have adequate segregation of duties to provide effective internal control.

Corrective Action Plan:

This condition is common to most agencies of this type with limited resources and is difficult to resolve due to the funding limitations.

The Accompanying Notes Are An Integral Part Of
These Financial Statements